

GENERAL MEMBERSHIP INFORMATION

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CALPERS MEMBERSHIP ELIGIBILITY

If a person is currently a member of CalPERS (i.e., has contributions/service on account that have not been refunded), the person cannot be excluded from membership due to her/his time base (e.g., working less than 20 hours per week) or appointment length (e.g., 90 days). Therefore, persons who are currently members of CalPERS do not need to re-qualify for membership. This applies even if their membership was established through employment with another CalPERS agency, or if they are not currently working (i.e., are on inactive status) with a CalPERS-covered agency.

EXCEPTION:

State Second-Tier members who are not vested and have been permanently separated for more than 6 months. Most other employees should enter CalPERS membership **immediately upon employment** (G.C. section 20281).

NOTE:

Employees of the Department of Forestry and Fire Protection who qualify for State Peace Officer/Firefighter membership under G.C. Section 20392, or State Safety membership under Section 20400, also qualify for immediate membership, even if working less than full-time.

If a person has retirement contributions/service credit on deposit with CalPERS, or if they have met the criteria for membership (e.g., have completed 1,000 hours of service in a fiscal year) but have not actually been enrolled yet, they are by law a member of CalPERS, even if the employer has not yet reported payroll to CalPERS on their behalf.

Once in membership, a person remains in membership until (1) they take a refund of contributions after permanently separating from CalPERS-covered employment, or (2) they retire.

You can determine whether or not a person is currently a member of CalPERS by:

1. Asking the employee (be aware that some employees may be mistaken about this),
2. Using the Participant Inquiry function of the myCalPERS system, and/or

3. Contacting the CalPERS Customer Contact Center at **888 CalPERS** (or 888-225-7377).

It is recommended that an employer retain documentation (e.g., [Notice of Exclusion From CalPERS Membership Form](#) PERS-AESD-139) on which the employee indicates “Not a CalPERS member”; to demonstrate that such an inquiry was made, in order to guard against possible G.C. section 20283 liability in the future. It is also recommended that employers determine whether the employee has any other CalPERS-covered employment that could potentially place the employee in an “overtime” situation (e.g., if the employee is working more than full-time), to avoid having to make adjustments later.

IMMEDIATE MEMBERSHIP UPON HIRE

Many employees should enter CalPERS membership immediately upon employment (G.C. section 20281), namely:

- Already a CalPERS member, unless working in a position excluded by law.
- Employees hired to work full-time more than six months.
- Employees working “regular, part-time service,” who work “at least an average of 20 hours a week” for one year or longer.

However, there are also some employees who must work a certain number of hours/days (commonly referred to as “qualifying time”) before they are eligible for membership, and who therefore should be carefully monitored, such as the following:

PUBLIC EMPLOYEES’ PENSION REFORM ACT OF 2013 (PEPRA) DEFINITION OF A NEW MEMBER

PEPRA defines a new member as any of the following:

- A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any California Public Retirement System.
- A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who was a member

with another California Public Retirement System prior to January 1, 2013, and is not eligible for reciprocity.

- A member who first established CalPERS membership prior to January 1, 2013, and who is rehired (by a different CalPERS employer) after a break in service of greater than six months.

NOTE:

All State agencies, including CSU, are treated as a single employer under PEPRA. Additionally, all school employers are treated as a single employer as well.

Each employer must store the participant details necessary to categorize individuals as new members or classic members in your databases. CalPERS refers to all members that do not fit within the definition of a new member as “classic members”. All existing CalPERS members as of December 31, 2012, will retain the existing benefit levels for future service with the same employer. Because the new member determination is made on an appointment-by-appointment basis, classic members will be tested against the “new member” definition upon each new appointment and, in some cases, may become “new members” for services under a new appointment.

PEPRA does not require retroactive reductions to benefits earned for prior service, even where a member separates from service and is later rehired as a new member by a new employer and becomes subject to the applicable PEPRA formula. In these cases, the member’s “classic member” service will be calculated separately from his or her service as a “new member”.

myCalPERS includes fields on the enrollment page where your agency will identify if the new hire is coming from a reciprocal agency and prompt you for the necessary data elements which subject them to reciprocity. It will be extremely important that your agency properly identify the status of members at the time of hire by providing the [Member Reciprocal Self-Certification](#) form (PERS-CASD-801).

Based on the information your agency provides, myCalPERS will automatically determine the proper benefit group for each member. In addition, CalPERS will create for each employer a report identifying their recent enrollments and the correct corresponding formula based on the

information provided at enrollment. If your agency believes the enrollment is incorrect, you may contact CalPERS to review and correct the data as necessary.

NOTE:

Each employer must store the participant details necessary to categorize individuals as new members or classic members in your databases.

FULL-TIME EMPLOYEES

CalPERS considers full-time employment to be between 34 and 60 hours per week. Employers generally have the ability to determine what constitutes full-time for an employee provided that the employee works between 34 and 60 hours per week. However, G.C. section 20636.1 specifies that for all non-certificated school members full-time is considered 40 hours per week. This means that all hours up to 40 hours per week must be reported to CalPERS for non-certificated school members at the straight time rate.

Persons in full-time employment whose appointment/employment does not fix a term of employment longer than six months should be monitored; if full-time employment actually continues for more than six months, membership is compulsory, and the effective date of membership cannot be later than the first day of the first pay period of the seventh month of employment.

LESS THAN FULL-TIME EMPLOYEES

The standard to consider for the membership eligibility of less than full-time employees is whether they work 1,000 hours (if paid on an hourly basis) or 125 days (if paid on a daily or per diem basis) in a fiscal year (July 1 through June 30). (G.C. section 20305(a)(3)(B) states that 125 eight-hour days equals 1,000 hours.)

Since the “overtime” provisions of section 20635 apply only to members of CalPERS, overtime service is included in computing the 1,000 hours or 125 days.

Time during which the member is paid for time excused from working due to vacation, sick leave, etc., is included in the 1,000 hours.

CALIFORNIA STATE UNIVERSITY

TEMPORARY FACULTY

Must work half time or more for either (1) two consecutive semesters, or (2) three consecutive quarters (G.C. section 20305(a)(4)). Refer to the

CSU-Only section for specific information to membership qualification for CSU employees.

GENERAL PRINCIPLES

The general principles to follow to determine when and if someone is eligible for membership, if not excluded by contract or by law are as follows:

1. Persons who are **already** members of CalPERS are **not** excluded from membership because they are working less than full-time. (G.C. section 20305(a)(1))
2. Persons enter membership upon appointment to a position with one of the following conditions:
 - a. The appointment/employment fixes a term of **full-time, continuous** employment in excess of six months.
 - b. CSU Temporary Faculty employee appointed for **one academic year at full-time**.
 - c. The position requires **regular, part-time** service for at least an average of 20 hours per week (or its equivalent) for one year or longer.
3. Persons must otherwise be **monitored** to determine when and if they qualify for membership. Qualification for membership is reached when:
 - a. No term (length) of appointment is specified in the appointment/employment, but full-time employment continues longer than six months.
 - b. The person works more than 125 days in a fiscal year if paid on a "per diem" basis (i.e., "per day"). For this purpose, "day" means each 8 hours of compensated service; (e.g. a firefighter working a 24-hour shift is working 3 "days" per shift).
 - c. The person works 1,000 hours in a fiscal year if paid on other than a per diem basis. Any overtime hours worked are counted as qualifying time.

In such cases, membership becomes effective **no later than** the first day of the next pay period after (a) the sixth month of full-time employment or (b) completion of 1,000 hours or 125 days in a fiscal year.

When monitoring an employee for the 1,000 hours, **all hours** the employee is compensated

for should be counted towards membership qualifications, even if the compensation would not be reportable to CalPERS if the person was a member (e.g. compensation for overtime hours).

For example, if an employee were called in to work 4 hours on July 4th, which is a paid 8-hour holiday for the individual, the employee would have 12 hours counted towards their membership qualification.

However, if this example applied to a **member**, then the 4 hours would be considered overtime and not reportable to CalPERS.

WHEN NOT TO REPORT

A CalPERS member should not continue to be reported in membership when:

- The person enters a position that is excluded by law (other than due to time base/appointment length), or by an agency's contract.
- The person enters a position eligible for optional membership and has not yet elected membership. The individual must submit an election of optional membership in order to be a member in such a position, regardless of prior membership status. (See "Optional Members of CalPERS" section for more information.)
- The person enters a position that is also in membership with another public retirement system. (See "Positions Excluded by Retirement Law (PERL) from CalPERS Coverage" section.)
- The person is subject to an alternate retirement plan under G.C. section 20306.
- The person is legally working after retirement. (The laws for post-retirement employment are different from the laws for membership; refer to the "Employment of a Retiree" section later for more information).

NOTE:

Multiple part-time positions should be reported, even if the sum of the hours of the positions exceeds full-time.

QUALIFICATION WHEN WORKING MORE THAN ONE POSITION

These criteria above can be met by employees who are working more than one position under the same employer; therefore, service with all positions with an employer (including both safety

and miscellaneous positions) should be considered in determining membership qualification. For example, a person working a permanent 10-hour a week position, and a permanent 12-hour a week position with the same employer, would qualify for membership immediately, by virtue of combining the service of both positions to meet the 20-hour a week minimum.

Service with different CalPERS-covered agencies, such as a city and a special district; or a school district and a State agency or school districts in two different counties, should not be combined for membership qualification purposes.

If an employee becomes a CalPERS member prior to January 1, 2013 and returns to work with the same employer, they are considered a classic member under PEPR. Their original membership date would apply. If they return to work with a different CalPERS employer and their break in service between employers is greater than six months, then they would be considered a new PEPR member.

FAILURE TO TIMELY ENROLL MEMBER

It is the employer's responsibility to determine if its employees are eligible to participate in CalPERS. If an employer has failed to enroll an eligible employee into CalPERS membership within 90 days of qualifying, when the employer knows or can reasonably be expected to have known of that eligibility, the employer shall be responsible for arrears of the member contributions and a \$500 administrative cost per member.

WHAT ARE ARREARS?

The employer is responsible to know the basic eligibility rules and when to enroll their employees into membership in CalPERS. Government Code Section 20283 states that any employer that fails to enroll an employee into membership within 90 days of eligibility shall be required to pay all the arrears contributions (both employer and member) and a \$500.00 administrative fee per member to the System.

Arrears are the employee contributions due for earnings that have not been previously reported. Payment of arrears is mandatory and interest is not charged on the amount owed. An account can be in arrears because either an employer failed to enroll the employee into membership,

or failed to report earnings and contributions for service rendered.

Government Code Section 20283 applies if any portion of the arrears period occurred on or after July 1, 1994. A member who qualified for membership prior to July 1, 1994 is considered a mandatory arrears case. In mandatory arrears cases, the member is responsible for the member contributions and the employer is responsible for the employer contributions.

NOTE:

The administrative cost "is not a fee or penalty" to the agency – rather it is a reimbursement to CalPERS for costs associated with the process of administering G.C. section 20283.

DETERMINING IF A PART-TIME SEASONAL EMPLOYEE IS ELIGIBLE FOR MEMBERSHIP

1. Check participant inquiry in my|CalPERS to determine if the employee is already a CalPERS member.
2. Look for PIMS/CSUC transactions to determine if employee is already a CalPERS member. If the employee is already a member of CalPERS, that employee should be immediately reported to CalPERS.
3. Look for account codes on an employee's record, which indicate that the employee has previously worked for a State agency or California State University.
4. Ask newly hired employees if they are a member of CalPERS and document it in writing. A Public Agency or County School could have formerly employed some members. Document on the [AESD-139-S](#) form.
5. Monitor all compensated hours worked. If the employee reaches 1,000 hours in a fiscal year, membership must be established and reported to CalPERS.

NOTICE OF EXCLUSION FROM CALPERS MEMBERSHIP

For employees who do not qualify for CalPERS membership, the "[Notice of Exclusion from CalPERS Membership](#)" (PERS-AESD-139S) should be completed. The completed form should be given to the employee in order to inform them of the specific reason for their exclusion and to fulfill the employer's responsibility of notification. Do **NOT** send copies of this form to CalPERS; however, a copy should be retained for the employee's records.

FIRST-TIER VS. SECOND-TIER

When determining if an employee should be placed in first or second tier, you will need to find out if the miscellaneous or industrial employee is a previous member of CalPERS (do they have service and/or funds on deposit from another contracting Public Agency, County School or State agency that is under CalPERS).

If no, refer to "CalPERS Membership Eligibility" in the "Civil Service/CSU Membership" section to determine when to bring the employee into membership. Once the employee qualifies for CalPERS membership, determine if the employee contributes to CalPERS or ARP. If it is determined the employee contributes to ARP, place them in the ARP account code. If the employee is eligible to contribute to CalPERS (either on appointment date or completion of the 24 months in ARP), place the employee into First-Tier and provide the employee with the ["State Miscellaneous and Industrial Members Retirement Benefit Election Package"](#) booklet (PERS-PUB-52).

If yes, see chart below.

All First-Tier Service (Public Agency, County School or State)	Mixed First- and Second-Tier Service	All State Second-Tier Service only (no State First-Tier, Public Agency or County School Service)			
		Permanent Separation is Less than 90 days	Permanent Separation is 91 days to Six Months	Permanent Separation is over Six Months and Member has less than 10 years of Second-Tier Service	Permanent Separation is over Six Months and Member has over 10 years of Second-Tier Service
<ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. Place the employee into First-Tier. Provide the employee with the PUB-52. 	<ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. If break in service is more than 90 days, place the employee into First-Tier. Provide the employee with the PUB-52. If break is less than 90 days, see 1, 2 or 3 below. 	<ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. Place the employee into Second-Tier. 	<ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. Place the employee into First-Tier. Provide the employee with the PUB-52. 	<ul style="list-style-type: none"> The employee needs to re-qualify for CalPERS membership. Upon meeting qualifications, bring the employee into CalPERS membership. Place the employee into First-Tier. Provide the employee with the PUB-52. 	<ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. Place the employee into First-Tier. Provide the employee with the PUB-52.

Mixed First- and Second-Tier Service: (break in service is less than 90 days)

1. If the member's last appointment was State Second-Tier, place the member in State Second-Tier and do not provide the PUB-52.
2. If the member's last appointment was State Safety, POFF or CHP Patrol and the member has elected to convert their past State Second-Tier service to First-Tier service, place the member into State First-Tier and do not provide the PUB-52.
3. If the member's last appointment was State Safety, POFF or CHP Patrol and the member has not elected to convert their past State Second-Tier service to First-Tier service, place the member into State Second-Tier and do not provide the PUB-52.

The member may contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**) to request the election material to elect into State First-Tier for future and/or past State Second-Tier service any time prior to retirement, provided they are employed by the State on or after 1-1-2000.

ACCOUNT CODE OVERVIEW

ACCOUNT CODE CHART

Account codes are used by agencies when appointing employees to State positions. Account codes determine the retirement plan and contribution rate. For those employees eligible for CalPERS membership, the account code is used to determine retirement benefit factor, member contribution amount, and final compensation (12 or 36 month) period to which members are entitled as mandated by law.

It is very important to know the employee's membership status and appointment date when determining which account code to use. Using an incorrect account code may cause an underpayment of employer or member contributions. It is your responsibility to correctly determine which account code to use or it may result in either party owing more money to the System, and the member receiving the wrong retirement benefit.

The following information is needed to help you determine what account a member should be placed in:

1. **Member Group** – for the position the member is going into:
 - Miscellaneous – Government Code section 20380
 - Industrial – G.C. 20382
 - Safety – G.C. 20399 to 20415
 - Peace Officer/Firefighter (POFF) – G.C. 20391 to 20398, 20416
 - CHP – G.C. 20390

You can refer to the above sections of the California Public Employees' Retirement Law (PERL) if you need to determine the member classification. If after referring to the PERL, you still cannot make a determination, then please contact CalPERS for assistance.

2. **Alternate Retirement Program (ARP)**
(This applies to **Miscellaneous/Industrial State Civil Service members only.**)
You need to complete the Alternate Retirement Program (ARP) Eligibility Worksheet to determine if the employee should contribute to ARP or CalPERS. The worksheet can be found at the California Department of Human Resources (CalHR)'s Website. If it is determined the employee contributes to CalPERS, then use the

following information to help you determine which account code the employee will go into.

Please note that this is the latest Alternate Retirement Program Eligibility Worksheet at the time of printing of this guide. Please refer to the CalHR Website at www.calhr.ca.gov to see if there is a later version. For more information, please see the ARP section in this guide.

3. **First-Tier vs. Second-Tier**
(This applies to **Miscellaneous/Industrial State Civil Service members only.** Public Agencies, County Schools and CSU members do not have Second-Tier).

First-Tier refers to a retirement formula where members make contributions (normally 8%, but can be raised or lowered by collective bargaining agreements) to CalPERS and are covered under the State Miscellaneous/Industrial 2% at age 55, 2% at age 60, or 2% at age 62 formula.

Second-Tier refers to a retirement formula where members previously did not make contributions to CalPERS and are covered under the 1.25% at age 65 or 1.25% at age 67 formula. Beginning July 1, 2013, all Second-Tier members will start contributing 1.5% of earnings in monthly member contributions. This contribution rate shall be adjusted annually.

NOTE:

CalPERS has determined that the Public Employees' Pension Reform Act of 2013 (PEPRA) mandates member contributions be made on the full amount of employee earnings and eliminates the contribution and Off Set adjustments to the final compensation factor for all new State employees in the State 2nd Tier retirement formula.

For additional information on the First- and Second-Tier Retirement Plans, please see "Your Retirement Formula Options" section of the [Retirement Benefit Election Package](#) booklet (PERS-PUB-52).

4. Social Security:

(This applies to **Miscellaneous/Industrial members only**. State Safety, State POFF and CHP members do not pay into Social Security.):

- In the Account Code Chart, look for an account code with an “N” in the “O=SS/Med; M=Medicare; N=Neither” column if in 1961 the member elected no to Social Security for State service.
- Look for an account code with an “O” in the “O=SS/Med; M=Medicare; N=Neither” column if in 1961 the member elected yes to Social Security for State service.
- Any Miscellaneous/Industrial employee hired into State service after 1961 will have Social Security — look for an account code with an “O” in the “O=SS/Med; M=Medicare; N=Neither” column.
 - Exception: If the member is a non-resident alien with an F-1, J-1, M-1 or Q-1 Visa, they are not subject to Social Security so look for an account code with “N”.

code with an “M” in the “O=SS/Med; M=Medicare; N=Neither” column.

- Exception: If the member is a non-resident alien with an F-1, J-1, M-1 or Q-1 Visa, they are not subject to Social Security so look for an account code an “N” in the “O=SS/Med; M=Medicare; N=Neither” column.

NOTE:

If a miscellaneous/industrial member was first hired by the State prior to 04/01/86 and does not have a break in service, they **do not pay Medicare** if they become a Safety, POFF or CHP member. Therefore, look for an account code with “N”.

5. Medicare applies as follows:

- **Miscellaneous/Industrial** members who elected no to Social Security in 1961 but were rehired following a permanent separation or break in service on/after 04/01/86 will have to pay Medicare only, no Social Security. Look for an account code with an “M” in the “O=SS/Med; M=Medicare; N=Neither” column instead of “N”.
- **Safety, POFF, or CHP** members:
 - If first hired with the State prior to 04/01/86, the member will not have to pay Medicare. Look for an account code with an “N” in the “O=SS/Med; M=Medicare; N=Neither” column.
 - If first hired with the State prior to 04/01/86 **and** was rehired following a permanent separation or break in service on or after 04/01/86, the member will have to pay Medicare. Look for an account code with an “M” in the “O=SS/Med; M=Medicare; N=Neither” column.
 - If first hired with the State on/after 04/01/86, the member will have to pay Medicare. Look for an account

6. Final Compensation

- Effective 07/01/91, all state employees were given a 1-year final compensation in the calculation of their retirement benefit. This means that 12 consecutive months of salary will be averaged to calculate their retirement benefit.
- Effective 07/01/06, all new state employees in collective bargaining unit 2 were given a 3-year final compensation in the calculation of their retirement benefit. This means that 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any state employment in collective bargaining unit 2 prior to 07/01/06 will exempt the member from the 3-year final compensation.
- Effective 01/01/07, all new state employees in collective bargaining units 1, 3, 4, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21 were given a 3-year final compensation in the calculation of their retirement benefit. This means that 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any state employment in the bargaining units listed above prior to 01/01/07 will exempt the member from the 3-year final compensation.
- Effective 10/31/10, all new state employees in collective bargaining units 5 and 8 as well as new non-represented employees associated with the above collective bargaining units were given a 3-year final compensation in the calculation

of their retirement benefit. This means that 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any state employment in collective bargaining units 5 and 8 as well as new non-represented employees associated with collective bargaining units 5 and 8 prior to 10/31/10 will exempt the member from the 3-year final compensation.

- Effective 01/15/11, all new state employees in bargaining units 6, 9, 10, and 13 as well as new non-represented employees associated with any collective bargaining units except those associated with 5 and 8 were given a 3-year final compensation in calculation of their retirement benefit. This means that 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any state employment in the bargaining units listed above as well as new non-represented employees associated with any collective bargaining units except those associated with 5 and 8 prior to 01/15/11 will exempt the member from the 3-year final compensation.

7. Retirement Formula Changes

The retirement formula and method of calculating final compensation for collective bargaining units 1, 3, 4, 11, 14, 15, 17, 20, and 21 for employees first employed with the State on January 15, 2011 through December 31, 2012, with no prior service will be as follows. "Prior State employment" includes any State service (such as part-time, seasonal, or temporary employment) that can be purchased as CalPERS service credit.

- Miscellaneous/Industrial/ARP – 2% @ 60 formula based on 3-year highest compensation
- State Safety – 2% @ 55 formula based on 3-year highest compensation
- Second Tier – 1.25% @ formula based on 3-year highest compensation

For more information, see the California Department of Human Resources Website at www.calhr.ca.gov.

8. Collective Bargaining Unit (CBU):

Some account codes are based on what collective bargaining unit the member is in.

Currently there are 21 bargaining units 1 – 21.

- Non-represented members are Supervisors, Confidentials, and Managers (S, C, and M). With this group, ignore the bargaining unit number if the member is miscellaneous, industrial or safety.

NOTE:

For the non-represented "exempt" employee who's CBID (Section 126 on the PAR) is E01 through E21 they will be associated with the particular CBU. If the employee's CBID is anything else, e.g., E; E00; E48; E97; E99 etc., then they will be associated with all the other non-represented groups of Supervisors, Confidentials, and Managers (S, C, and M).

9. Concurrent Employment:

If the employee is concurrently working in another position that is also covered by CalPERS, continue to report all contributions related to that position. Please refer to "Overtime Positions" in the "General Information" section for additional information.

WHERE HAVE COVERAGE GROUPS GONE?

In the past, CalPERS assigned Coverage Group Codes to designate a specific retirement benefit package for a group of employees. Each Coverage Group Code was unique for each retirement benefit package. Employers were instructed on which Coverage Group Codes to put their employees into depending on the specific employer contract dates and/or provisions. For State and School employers, the correct Coverage Group Code depended on government code provisions and specific dates pertinent to employment history of each employee. This required knowledge on the part of the employer to determine the correct Coverage Group Code to enroll a participant into.

To alleviate the need for employers to try to select the appropriate Coverage Group Code, the new my|CalPERS system will now determine the retirement benefit package of each participant based on a combination of data elements reported by the employer. This change allows the my|CalPERS system to be more robust and flexible in meeting the demands of future contract amendments and government provisions. This will assure proper

benefit payments to our future retirees and beneficiaries, with less room for error.

PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013 (PEPRA)

Public employers will be prohibited from granting retroactive pension benefit enhancements that would apply to service performed prior to the effective date of the enhancement.

PEPRA reduces benefit formulas and increases retirement age provisions and creates new defined benefit formulas for all new miscellaneous (non-safety) and safety members.

NOTE:

Please see the Membership chapter of this Guide for the definition of a new PEPRA member.

For new safety members, the law provides for three possible retirement formulas and requires that new safety members be provided with the new formula that is closest to the formula offered to classic members of the same classification, and provides a lower benefit at 55 years of age than the formula offered to classic members. The three new defined benefit formulas for new safety members include a normal retirement age of 50 and a maximum benefit at age 57.

For all new miscellaneous members, the new defined benefit formula is 2% at age 62, with an early retirement age of 52 and a maximum benefit factor of 2.5% at age 67.

The new formulas will be implemented in myCalPERS to take effect on January 1, 2013. The legislatively mandated formulas and provisions will be merged with your agency's existing optional provisions, with some exceptions, effective on December 31, 2012, to create the new benefit groups.

ACCOUNT CODE CHART

For a list of the Retirement Benefit Formula Account Code Tables, please select the following link: <http://www.calpers.ca.gov/eip-docs/employer/admin-rptg/ret-benefit-formula.xls>

Specific questions concerning membership eligibility should be directed to the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

THE ALTERNATE RETIREMENT PROGRAM (ARP) (CIVIL SERVICE ONLY)

The Alternate Retirement Program (ARP) is a mandatory savings plan for certain new first-time State miscellaneous and industrial employees hired on August 11, 2004 through June 30, 2013*.

WHO IS ELIGIBLE FOR ARP

- First employed by the State on August 11, 2004 through June 30, 2013*.
- Meet the definition of "State employees" under G.C. section 19815.
- Qualify for CalPERS membership as a state miscellaneous or state industrial member.

*Pending legislation may change this date to December 31, 2012.

The employer is required to complete the ARP Eligibility Worksheet to determine if the employee is mandated into the Alternate Retirement Program. This on-line worksheet can be found through CalHR's Website at www.calhr.ca.gov and following these steps:

- Select the State HR Professionals tab
- Choose Benefits Administration section
- Select the Alternate Retirement Program (ARP) link
- Choose the ARP Eligibility Worksheet from the list
- Select the ARP Eligibility Worksheet link
- Select the ARP Eligibility Worksheet link to open the worksheet

WHO IS NOT ELIGIBLE FOR ARP

- The employee is a current or prior member of CalPERS.
- The employee is or was a member within the prior 6 months of a reciprocal retirement system (see the reciprocal section of this guide for a list of reciprocal retirement systems).
- The employee is on a Visa and not coordinated with Social Security (non-resident aliens working under the provisions of a F-1, J-1, M-1, or Q-1 visa and performing services to carry out the purpose for which they were admitted to the United States).

- The employee is employed by the California Highway Patrol as a cadet at the department's training school established pursuant to Section 2262 of the Vehicle Code.
- Employee was first hired by the state prior to August 11, 2004 in a position that may not have qualified for membership.
- The employee is with the Judges' Retirement System, the Judges' Retirement System II, the Legislators' Retirement System, the State Teachers' Retirement System, or the University of California Retirement Plan.
- The employee is an employee of California State University or the state legislative or judicial branch.
- The employee is appointed as State Safety, State Patrol, or State Peace Officer/Firefighter.
- The employee is a National Guard member pursuant to G.C. section 20380.5.

To determine the correct account code for an ARP member, refer to the Miscellaneous or Industrial Account Code Tables, the ARP eligibility worksheet or the ARP Timeline within this Guide.

ARP TIMELINE

See the diagram in this section.

First 24 Months:

- Employee contributes to Alternate Retirement Account administered by CalHR.
- Contributions to the Alternate Retirement Program are based on the employee's Bargaining Unit Agreement. The contributions will be the same amount that would normally be paid to CalPERS.
- Employees are CalPERS members even though they contribute to the ARP.

Beginning the 25th Month

- 505 Transaction processed by SCO to transfer member from ARP to CalPERS.
- Employee begins contributing to CalPERS.
- Employer provides employee the Retirement Benefit Election Package booklet (PERS-PUB-52).

- Employee has 180 days to elect Second-Tier (See First-Tier vs. Second-Tier Chart in this guide).

In the 46th Month – Election Notification

- Employee receives a Payment Election Notification letter notifying the employee of the upcoming election period.

Between the 47th and 49th Month — ARP Election

- Employee is directed to the Savings Plus website (www.savingsplusnow.com) or to call Savings Plus (855-616-4776) to make their ARP election.
- Employee may make an election on the distribution of their ARP contributions.
- Employee Options:
 - **Option 1:** Transfer all funds in employee's ARP account to CalPERS to buy retirement service credit for the time employee was enrolled in ARP. The State would fund the portion of the liability not paid for by employee's ARP account.

NOTE:

If the employee elects to transfer funds to CalPERS, CalPERS will credit the employee's retirement account with First-Tier service for the time employee was in ARP. Service credited will be based on the employee's pay rate and earnings for each month the member worked and contributed to ARP.

- **Option 2:** Receive a lump-sum distribution of all funds in employee's ARP account, which may subject the employee to tax penalties for early withdrawal.
- **Option 3:** Transfer all funds in employee's ARP account to a 401(k) account with the Savings Plus Program (SPP). If employee already has an SPP 401(k) account, the employee's funds will go here; if not, SPP will set up a 401(k) account for the employee. This option requires no action on the employee's part; it happens automatically if the employee does not submit a form during the three-month period described above.

NOTE:

If the employee opts not to purchase the service credit during this 3-month period, the employee remains eligible to purchase the ARP time in the future. If the employee decides to purchase this service in the future, the service will be calculated at a present value cost. This cost may be considerably higher than if the employee transfers their contributions during the election period.

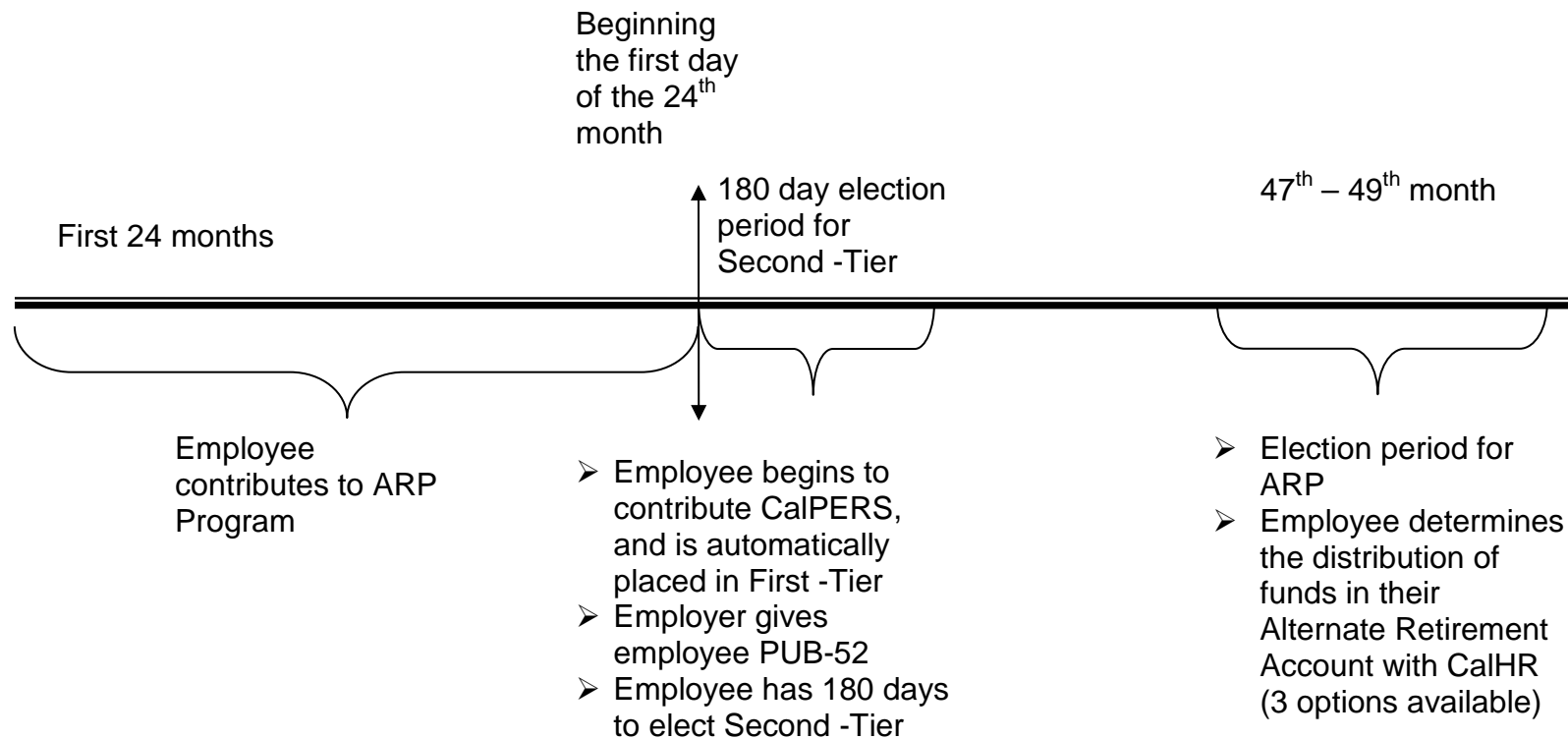
Return of contributions if employee separates State employment:

- First 24 months
 - Employee may request a distribution of ARP contributions – See CalHR's Website at www.calhr.ca.gov for information.
- After employee begins contributing to CalPERS and has not elected transfer of ARP contributions to CalPERS
 - Employee may request a distribution of ARP contributions from CalHR.
 - If employee is not employed with another CalPERS employer, employee may request a refund of CalPERS contributions from CalPERS.
- After employee begins contributing to CalPERS and has elected transfer of ARP contributions to CalPERS and is not employed with another CalPERS employer
 - Employee may request a refund of CalPERS contributions from CalPERS.

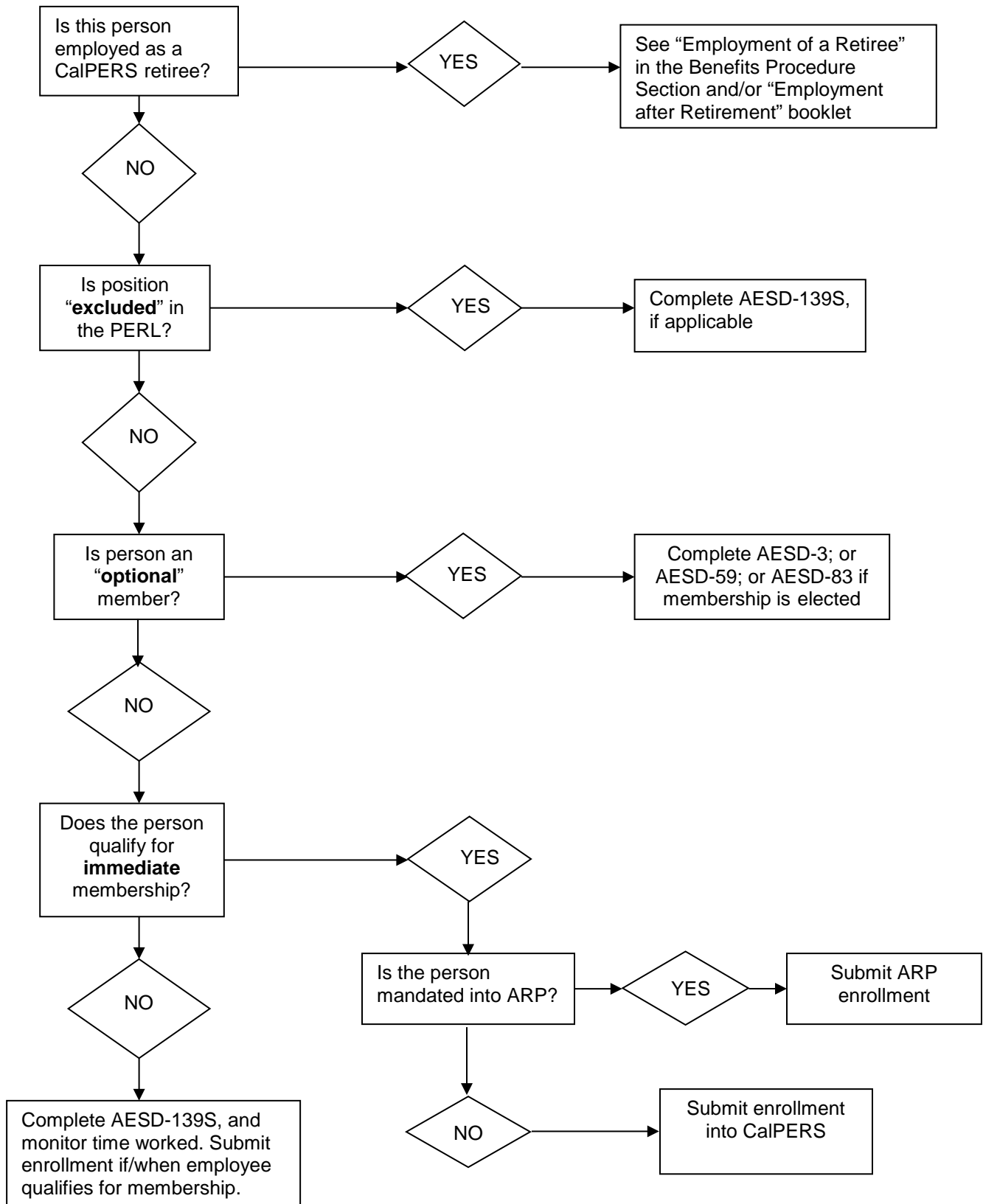
Reemployment of an ARP Member to a State Miscellaneous/Industrial Position

If you are appointing an ARP member who has permanently separated from employment, place them into an ARP coverage group if the appointment date is within 24 months of their first entry into the ARP.

If you are appointing an ARP member and the appointment date is over 24 months from their first entry into the ARP, do not place them back into the ARP. Place them into a CalPERS contributing account code.



DETERMINING MEMBERSHIP ELIGIBILITY



POSITIONS EXCLUDED BY RETIREMENT LAW (PERL) FROM CALPERS COVERAGE

MEMBERS OF OTHER RETIREMENT SYSTEMS

Persons who are receiving service credit in another public retirement system (federal, state, county, city, other local or CalSTRS) are excluded from receiving credit with CalPERS for that same service by G.C. section 20303.

NOTE:

Persons can have dual membership in two or more public retirement systems, as long as it is for different service.

EXCEPTION: G.C. section 20303(b)(4) provides that persons participating in a “supplemental defined benefits plan” that has received a ruling from IRS that the plan qualifies under Section 401(a) of the Internal Revenue Code, where the plan provisions state that CalPERS is the primary plan for these employers, and plan participation will not in any way interfere with CalPERS benefits, are not prohibited from such dual participation.

HEALTH AND WELFARE OR TRADE RATE EMPLOYMENT

Employees hired in Skilled Trades classifications are excluded from CalPERS if payments are made to the Health & Welfare Fund of the Union. (Use Account Codes NA or NH, depending on whether the employee is subject to Medicare coverage.) If the employee is not entitled to have payments made to Health & Welfare fund, use normal CalPERS eligibility rules for determining membership.

INDEPENDENT CONTRACTORS

Independent contractors are not “employees” and are excluded from membership in CalPERS by G.C. section 20300(b). An independent contractor is someone who contracts to provide a service or complete a task according to his or her own methods, and is not subject to the contracting entity’s control as to the end product, final result of work, or manner and means by which the work is performed.

CalPERS uses the “Common Law Control Test” as a guide to determining independent contractor status. The common law control test factors are enunciated in the case of Albert B.

Tieberg v. Unemployment Insurance Board (1970) 2 Cal.3d 943, 949. These factors are also cited in the CalPERS Precedential Decision Case No. 05-01, In the Matter of the Application for CalPERS membership credit by Lee Neidengard, Respondent and Tri-Counties Association Regional Center, Respondent.

A “contract employee” (i.e., a common law employee who periodically signs an employment contract) is eligible for CalPERS membership, if otherwise qualified.

NOTE:

CalPERS commonly corresponds with agencies (e.g., sends a questionnaire to be completed by both the worker and the contracting entity) in order to determine whether a worker is an “employee” of a CalPERS covered agency, an employee of a non-CalPERS agency, or an independent contractor. It is important that such questions be answered authoritatively by an appropriate certifying officer at your agency, since the employer may be liable for arrears costs (if membership is determined to be retroactively applicable), if the worker is found to be an “employee” of your agency.

ELECTED APPOINTED OFFICERS

G.C. sections 20320–20325 exclude certain public officers and employees from membership unless an election is filed with CalPERS to waive the exclusion and establish membership. Those persons qualifying for “optional” membership rights are predominately, but not limited to, elected and appointed officers of public agencies, schools, and the State of California. Refer to the “Optional Members of CalPERS” section for more complete information to determine who is excluded but eligible under optional member provisions.

STUDENT AIDES IN THE SPECIAL SCHOOLS OF THE STATE DEPARTMENT OF EDUCATION

Students working as Student Aids at one of the special schools of the State Department of Education are excluded from membership in this system.

CALIFORNIA CONSERVATION CORPS

PARTICIPANTS

Participants, other than staff officers and employees, are excluded from membership.

ASSEMBLY FELLOWS, SENATE FELLOWS, AND EXECUTIVE FELLOWS

Program employees are excluded. For CSU employees **only**, this is Class Code 2944. Once the employee becomes a member, this time may be purchased. Refer to Pub – 12.

INMATES OF STATE INSTITUTIONS

(i.e., prison/penitentiary or mental hospital)
Such persons are excluded from CalPERS membership by G.C. section 20300(a) even if receiving compensation for such services they perform.

EXCLUSIONS APPLICABLE ONLY TO CALIFORNIA STATE UNIVERSITY

STUDENT ASSISTANTS

INDICATED BY THE FOLLOWING CLASS CODES:

0100	Youth Summer Aid
1150	Instructional Student Assistant
1151	Instructional Student Assistant, On-Campus Work Study
1868	Student Assistant — Non Resident
1869	Resident Assistant
1870	Student Assistant
1871	Student Trainee, Work Study on Campus
1872	Student Trainee, Work Study off Campus
1874	Bridge Student Assistant
1875	Bridge Student Trainee, On-Campus Work Study
1876	Bridge Student Trainee, Off-Campus Work Study
2325	Graduate Assistant, Monthly
2326	Graduate Assistant, On-Campus Work Study
2355	Graduate Assistant

EXTENSION SERVICE

Where compensation is established on the basis of class enrollment; these are indicated by the following class codes:

2322	Instructional Faculty, Special Programs
2323	Instructional Faculty, Extension — For Credit
2362	Demonstration Instructional Faculty
2363	Instructional Faculty, Extension — For Non-Credit
2365	Instructional Faculty, Music Studio

SUMMER SESSION/INTERSESSION

Employment in the following class codes are generally excluded from CalPERS since employment is typically in addition to other full time employment. However, if employment in the other class is less than full time, then the following class codes are reportable to CalPERS:

2357	Instructional Faculty, Summer Session
2368	Instructional Faculty, Extra Quarter Assignment, QSYRO
2390	Instructional Faculty, Summer Quarter Assignment
2394	Instructional Faculty, Executive Committee, Academic Senate
2395	Instructional Faculty, Chairman, Academic Senate
2402	Instructional Faculty, Summer Arts Program

EXCLUSIONS APPLICABLE ONLY TO UNIVERSITY OF CALIFORNIA

Employees Hired after October 1, 1963

Persons are excluded and are now subject to the University of California Retirement Plan (UCRP), rather than CalPERS

DETERMINING RETIREMENT BENEFITS

When determining retirement benefits for a new employee, the following items may impact which benefits the employee shall receive. This list only includes the most common items.

- Effective date of contract amendment(s)
- Retirement benefit formula
- Final compensation
- Member and/or employer rate
- Cost of living allowance (COLA)

G.C. section 20475(b) indicates a member shall be subject to the contract as amended only if, after the effective date of the contract amendment, the member either (1) receives service credit for the first time within a classification, or (2) the member returns to service with a classification following termination of membership as provided for in G. C. section 20340(b) unless the member has redeposited contributions or elects to redeposit prior to 90 days after returning to service in accordance with G. C. section 20750, in which case the member shall not be subject to the contract amendment.

NOTE:

The employer or member is responsible for submitting a request to CalPERS to obtain the cost calculation to redeposit the previously withdrawn funds.

The following scenarios will provide a greater understanding of determining retirement benefits:

Scenario 1 – Classic Member

The employee was hired on January 1, 2009, in the first level of benefits. On May 1, 2011, the employer added a second level of benefits for the same member category, changing the final compensation from 12 to 36 months. On January 1, 2012, the employee separated and withdrew their member contributions from CalPERS. On June 1, 2012, the employer rehired the employee.

Result: Since the employee did not redeposit their contributions within 90 days of rehire, the employer is required to enroll the employee into the second level of benefits with the 36 month final compensation period.

Scenario 2 – Classic Member

The employee was hired by employer #1 on January 1, 2009, in the first level of benefits. On January 1, 2010, the employee separated from employer #1 and withdrew their contributions from CalPERS. On May 1, 2011, the employee was hired by employer #2 and qualified for membership. However, on July 1, 2011, the employee separated from employer #2, but left their contributions on deposit. On July 2, 2011, the employee was rehired by employer #1. During the time the employee was not working for employer #1 a second level of benefits was added for the same member category, changing the retirement benefit formula from 2.7% @ age 55 to 2% @ age 55 effective September 1, 2010.

Result: Since the employee did not redeposit their withdrawn contributions from employer #1 within 90 days of rehire; employer #1 is required to enroll the employee into the second level of benefits with a benefit formula of 2% @ age 55.

Scenario 3 – Classic Member

The employee was hired on January 1, 2009, in the first level of benefits. On May 1, 2011, the employer added a second level of benefits for the same member category, changing the final compensation from 12 to 36 months. On January 1, 2012, the employee separated and withdrew their member contributions from CalPERS. On June 1, 2012, the employer rehired the employee and they redeposited their withdrawn contributions within 90 days.

Result: Since the employee redeposited their contributions within 90 days of rehire, they should be enrolled into the first level of benefits with a final compensation period of one year.

Scenario 4 – Classic Member

The employee was hired part-time on January 1, 2011, and did not qualify for immediate membership and had to be monitored. On May 1, 2011, the employer added a second level of benefits changing the cost of living allowance (COLA) from 3% to 2%. On January 1, 2012, the employee qualified for membership.

Result: Since the employee qualified for membership after the addition of a second level of benefits, the employer is required to enroll the

employee into the second level with a COLA of 2% and a membership date of January 1, 2012.

Scenario 5 – New Member

The employee was hired on January 1, 2012, and separates from the employer on March 31, 2012. The employee is subsequently hired by a different CalPERS covered employer on February 1, 2013 after the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect on January 1, 2013.

Result: Since the employee had a break in service greater than six months between the separation date with the previous employer and the appointment date with the subsequent employer, the employee would be considered a new member.

Scenario 6 – Classic Member

The employee was hired on January 1, 2012, and separates from the employer on November 30, 2012. The employee is subsequently hired by a different CalPERS covered employer on March 1, 2013 after PEPRA took effect on January 1, 2013.

Result: Since the employee had a break in service of less than six months between the separation date with the previous employer and the appointment date with the subsequent employer, the employee would be considered a classic member.

Scenario 7 – Classic Member

The employee was hired on October 1, 2012, and separates from the employer on March 31, 2013. The employee is subsequently hired by the same CalPERS covered employer on December 1, 2013 after PEPRA took effect on January 1, 2013.

Result: Since the employee had a break in service more than six months between the separation date, but returned to the same employer, they are considered a classic member.

“OPTIONAL” MEMBERS OF CALPERS

The Government Code provides “optional” membership rights for certain public officers and employees. Those eligible “optional” members are excluded unless an election for membership is filed with CalPERS.

If membership is elected and established:

1. Other than the choice whether or not to elect retirement coverage, “optional” members are subject to the standard CalPERS laws and regulations that apply to non-optional members.
2. There is no Government Code provision to opt out of membership prior to separation from employment. Once elected, the membership must be continued for all future consecutive “optional” member positions with the same employer as long as the future positions are not excluded by law or contract. If the employee changes positions within your agency a new election must be submitted.

TYPES OF “OPTIONAL” MEMBERS

There are five classes of State employees that are eligible for “Optional” membership:

1. **State Officers elected by the People —**
The Governor, Lieutenant Governor, Secretary of State, Controller, Treasurer, Attorney General or Insurance Commissioner. (G.C. section 20322)
2. **Appointees of State Officers —**
(G.C. section 20320)

These include:

- a) Persons directly appointed by the Governor, without nomination of any officer or board. Normal membership eligibility must be met.
- b) Persons exempt from Civil Service, and directly appointed by the:
 - Attorney General
 - Lieutenant Governor
 - Controller
 - Secretary of State
 - Treasurer
 - Superintendent of Public Instruction (except for teaching staff of schools)

- c) Members of the Board of Prison Terms, the State Personnel Board, or the State Air Resources Board.
(G.C. section 20305(a)(5))

3. **Officers of the Senate or Assembly —**
Elected by either or both such houses.
(G.C. section 20322(b))
4. **Legislative Employees —** Employees of the Senate or the Assembly whose salaries are paid from the operating funds of the Senate or the Assembly. (G.C. section 20324)

NOTE:

Legislative Employers should use the **Public Agency and Schools Procedures Manual** for most of their questions, since they are not covered by the Uniform State Payroll System (USPS).

5. **California National Guard —** Government Code Section 20326 provides that California National Guard officers, warrant officers, and enlisted personnel may elect membership by completing the [Election of Optional Membership – California National Guard Member](#) form. An election form may be obtained by calling CalPERS toll free at **888 CalPERS** (or **888- 225-7377**). The election may be made at any time while in service with the California National Guard.

Electing National Guard Membership

The form must be submitted to the Military Department. Do not submit the form directly to CalPERS. The Military Department will verify the person's National Guard status, contact them to arrange a contribution payment plan, and submit the membership form to CalPERS. Once elected, the membership remains in effect for all future service with the California National Guard.

A National Guard member may be eligible to purchase past National Guard service, or past CalPERS service. Other types of qualifying service include redeposit of contributions previously withdrawn from CalPERS, certain types of leave of absence.

Benefits

National Guard members are covered by the state miscellaneous benefit formula of 2% at age 55. A National Guard member does not have all the benefits of a state employee. State benefits that are not available to National Guard members include CalPERS health benefits, state dental and vision care benefits, golden handshake retirement incentives and the use of salaries under another CalPERS employer or a reciprocal retirement system to compute "final compensation" for their National Guard service.

One-time Cancellation of Membership

Government Code Section 20327 provides that a National Guard member may, on a prospective basis, cancel his or her election of membership by filing a written notice of cancellation. This prospective cancellation may be made one time only.

To prospectively cancel National Guard membership, the member must complete the Cancellation of Election of Optional Membership – California National Guard Member form. An election form may be obtained by calling CalPERS toll free at **888 CalPERS** (or **888-225-7377**). The form must be submitted to the Military Department, not to CalPERS. The Military Department will notify the member of the final amount due to the account, and notify CalPERS of the decision to cancel membership.

When a member elects to cancel CalPERS membership, they stop paying contributions. Contributions already paid to CalPERS remain in an account at CalPERS and continue to earn interest. If a member has elected to purchase service credit, they must continue making those payments until the purchase is paid in full.

If a member cancels their CalPERS membership and separates from the California National Guard, they may be eligible to receive a refund of their contributions and terminate their CalPERS account.

For more information on National Guard membership please refer to CalPERS [National Guard Benefits](#) (PUB-11).

GENERAL PROVISIONS/INSTRUCTIONS

- "Optional" membership may not be established unless and until the eligible person signs and submits an election to join CalPERS.
- Membership may be elected at any time while in an eligible position. However, membership is established on a prospective basis, usually with the effective date matching the first day of the pay period starting after the election for membership is signed. The position must be compensated other than just reimbursement of expenses.
- Any person concurrently employed in a position also covered by or potentially covered by CalPERS should first contact CalPERS to determine the impact should "optional" membership be elected.
- Any person concurrently employed in a position reportable to a private benefit plan or another retirement system should first contact that organization to determine if CalPERS membership will impact their benefits.
- A person appointed to an unexpired elected term of office has the same optional membership rights as if elected in his/her own right.
- Once "optional" membership is elected, it must be continued for all future consecutive "optional" member positions not excluded by law or contract with the same employer. A member cannot receive a refund or retire from CalPERS while continuing to hold an optional position for which the membership was established. There is no provision to opt out of CalPERS membership while remaining in the position, even if compensation is waived.
- Legislative staff employees: Though "optional" member status is provided by Government Code section 20324, membership cannot be established unless the employee is working qualifying time, based on the same criteria as applied to "non-optional" members. The pay rate and earnings reported will determine the amount of service credit accrued.

ELECTION OF OPTIONAL MEMBERSHIP (AESD-3, AESD-59, OR AESD-83)

A completed and signed "Election of Optional Membership" form AESD-3, AESD-59, or AESD-83 is required to validate and establish membership for an individual who qualifies as an "optional" member. The form must be submitted to CalPERS at the same time the employee enrollment is sent to the State Controller's Office in order to satisfy the legal requirements. The forms may be downloaded from the Forms & Publication Center on CalPERS Website at www.calpers.ca.gov.

Form	Type of "Optional" Member
AESD-3	Legislative Employees
AESD-59	Officers of the Senate or Assembly; and State Officers elected by the People
AESD-83	Appointees of State Officers

WHEN TO COMPLETE

The AESD-3, AESD-59, AESD-83 (election form) should be completed only after it is determined that the individual does qualify for "optional" membership.

1. The "optional" member must first be advised of CalPERS election rights when eligible for membership. The election can be made at any time during the qualifying employment. Document in employer personnel records that the information was provided as well as any response received. Do not send a notice to CalPERS if membership is declined.
2. The election form should not be completed as a request for additional information or service credit. It is to be used only when the person has decided to establish CalPERS membership for the "optional" position.
3. The signed election form must be filed with CalPERS.
4. Complete the appropriate election form and membership transaction when a current active or inactive member assumes an "optional" member position and wishes membership for that office.
5. When changing elected positions within the same agency, or with another CalPERS

covered agency, the member must complete another election form for the newly elected position.

"OPTIONAL" MEMBERSHIP SERVICE CREDIT

1. Optional member service is time spent working in certain exempt, appointed, or elected positions that allow employees the option of joining CalPERS. Employees can purchase service credit for optional member service if they are (or elect to become, if eligible) a CalPERS member. Retired members cannot purchase service credit for optional member service.
2. An "optional" member may elect to contribute and receive service for previous qualifying employment. Such election would not change the membership date back to the beginning date of the service purchased by the member.
3. A "legislative staff employee" (G.C. section 20324) shall have the option as to how much of his/her previous legislative service is to be credited.
4. A person who is no longer in the "optional" member position, but is currently an active or inactive CalPERS member, may also elect to contribute for previous qualifying "optional" employment.
5. There are no limitations on the amount of time that can be purchased.
6. See the booklet ["Guide to Your Service Credit Purchase Options"](#) (PUB-12) for further instructions on submitting an additional service credit inquiry. Do not attach the inquiry to the AESD-3, the AESD-59 or the AESD-83; it should be submitted separately to the address provided on the form.

CALPERS OR CALSTRS?

Public school positions in California are divided into two basic types:

1. **CERTIFICATED**

An employee in a position requiring certification qualifications by or pursuant to the Education Code. Credentialed employees (e.g., teachers, administrators, health care and library media workers) are all in certificated positions.

2. **CLASSIFIED**

An employee in a non-certificated position (e.g., office workers, custodial staff, and cafeteria workers).

In general terms, employees in certificated positions are, upon meeting normal qualification requirements, eligible for membership in the California State Teachers' Retirement System (CalSTRS), while classified employees may be eligible for membership in CalPERS.

Pursuant to G.C. sections 20300(g), 20501 and 20610, CalPERS can cover school employees only with respect to employment in which they are not eligible for CalSTRS coverage. Some persons who are eligible for membership in CalSTRS or CalPERS may not actually qualify for membership in either system (due to "part-time" or "temporary/seasonal" status, etc.); thus, some school employees may not be members of either system until their working hours or conditions change.

The Education Code (which contains the laws governing CalSTRS) contains two basic provisions, which may give persons certain rights with regard to choosing coverage under one system or the other.

Education Code Section 22508(a):

A person who is a CalSTRS member, who subsequently is employed by a school district, community college district or a county superintendent (or by the State in other certain cases; see "Inclusion" section below) in a position which requires CalPERS membership (i.e., a classified position), will enter CalPERS membership in the new position. However, he or she may elect to remain a member of CalSTRS in the new position.

Education Code Section 22508(c):

A CalPERS member employed by a school district or a county superintendent, the State Department of Education, or the Board of Governors of the California Community Colleges, who then is employed in a position that qualifies for membership in CalSTRS, will enter CalSTRS membership in the new position. However, he or she may elect to remain a member of CalPERS in the new position if they meet the conditions of G.C. 20309.

INCLUSION OF CERTAIN STATE EMPLOYEES

Employees in Certain State Bargaining Groups

SB 1694 (Chapter 880, Statutes of 2000) amended Section 22508 of the Education Code, and now provides that this same election right will be given to CalSTRS members that enter State employment where one of the following conditions apply:

- A. The employee is represented by a State Bargaining Unit that represents educational consultants, professional educators, or librarians employed by the state; OR
- B. The employee is excluded from the definition of "State employee" in G.C. Section 3513(c), yet performs, manages or supervises work similar to employees under Subparagraph "A" above; OR
- C. The employee is in a non-civil service position in the Executive branch, yet performs, manages or supervises work similar to employees under Subparagraph "A" above.

SB 1694 (Chapter 880, Statutes of 2000) amended Section 20309 of the Government Code, and now provides that this same election right will be given to CalPERS members that enter employment that qualifies for membership in CalSTRS where the following conditions apply:

- A. The member is employed by the State Board of Governors of the Community Colleges or the State Department of Education;

SB 165 (Chapter 77, Statutes of 2001) again amended Government Code section 20309, which will also allow CalPERS members with five years of CalPERS credited service, which enter employment on or after 01/01/2002 that qualifies for membership in CalSTRS, the right to elect to remain in CalPERS. The five years of service accrued under CalPERS can be with the State of California, a Public Agency, a County School, or a combination thereof.

Persons Entering State Second-Tier Membership between July 1, 1991 and September 11, 2000

AB 649 (Chapter 402, Statutes of 2000) added Section 22508.6 to the Education Code and Section 20309.5 to the Government Code, and provides that a “vested” CalSTRS member who enters State employment subject to the Second-Tier benefit plan may elect to have this service subject to CalSTRS rather than CalPERS, under the following conditions:

1. The member must have entered State employment within 30 days of separation from CalSTRS-covered employment;
2. The member must have had no other intervening employment;
3. The change of employment occurred between July 1, 1991 and September 11, 2000;
4. The member must be subject to the State Second-Tier.
5. The member meets one of the following criteria:
 - A. Is represented by a State Bargaining Unit that has agreed to an MOU making their represented employees subject to G.C.section 20309.5;
 - B. Is excluded from the definition of “State employee” in G.C. section 3513(c), yet performs, manages or supervises work similar to employees under Subparagraph “A” above;
 - C. Is in a non-civil service position in the Executive branch, yet performs, manages or supervises work similar to employees under Subparagraph “A” above.

These elections must be made in writing by completing the “Retirement System Election” (ES-372 05/09). This form can be obtained from the CalSTRS Website www.calstrs.com. Send the completed form to CalSTRS and a copy to CalPERS. This form must be filed within 60 days of entry into the new position. The election filed must be signed and dated by both the employee and employer. It should also indicate the date the employee entered the new position. Incomplete elections will be returned to the employer for further action.

Send elections to:

CalSTRS
P.O. Box 15275
Sacramento, CA 95851-0275

And

CalPERS
Customer Account Services Division
Attn: Unit 841
P.O. Box 942704
Sacramento, CA 94229-2704

Completed elections may also be uploaded into my|CalPERS.

This right of election arises when the employee enters a position or has a major change in conditions of employment that requires membership in the other retirement system. If a person does not exercise the right of election within 60 days from their date of hire into the position, they will be reported to the new retirement system. Once a person does exercise this right of election, they will be reported to the elected retirement system from the date of hire. This election is irrevocable and will remain in effect until a change in employment occurs that qualifies the employee for the election right or until the person separates from employment and receives a refund of all accumulated contributions and interest.

Should the employee return to employment and upon qualification, the employee would become a member of the retirement system that they qualify for in that position. Use the chart following this section as a guide to determine the retirement system coverage for the employee. The Education Code (which governs CalSTRS), not the Government Code (which governs CalPERS), contains the laws regulating this election of coverage. The final decision in any questionable situation (e.g., acceptance of “late” elections) must be made by CalSTRS, not CalPERS.

DIFFERENCES BETWEEN CALPERS AND CALSTRS

There are a number of factors that might influence a person’s decision about coverage under one system or the other. Some of the differences between the two systems are the following:

1. CalPERS members may or may not have Social Security coverage (most do), whereas CalSTRS members generally do not;
2. The Benefit Factors based on age for service retirement may be different;
3. The employee contribution rates may be different;
4. Persons entering membership in either system between July 1, 1980 and December 31, 1998 may not be eligible to convert unused sick leave credits to service credit at retirement.

We suggest you contact CalSTRS or CalPERS if you have any specific questions or need additional information relating to an employee’s choice of coverage.

CalPERS/CalSTRS FAQ’s are available on **www.calpers.ca.gov**. You can also receive the publication “Join CalSTRS? Join CalPERS?” at www.calstrs.com or by calling CalSTRS.

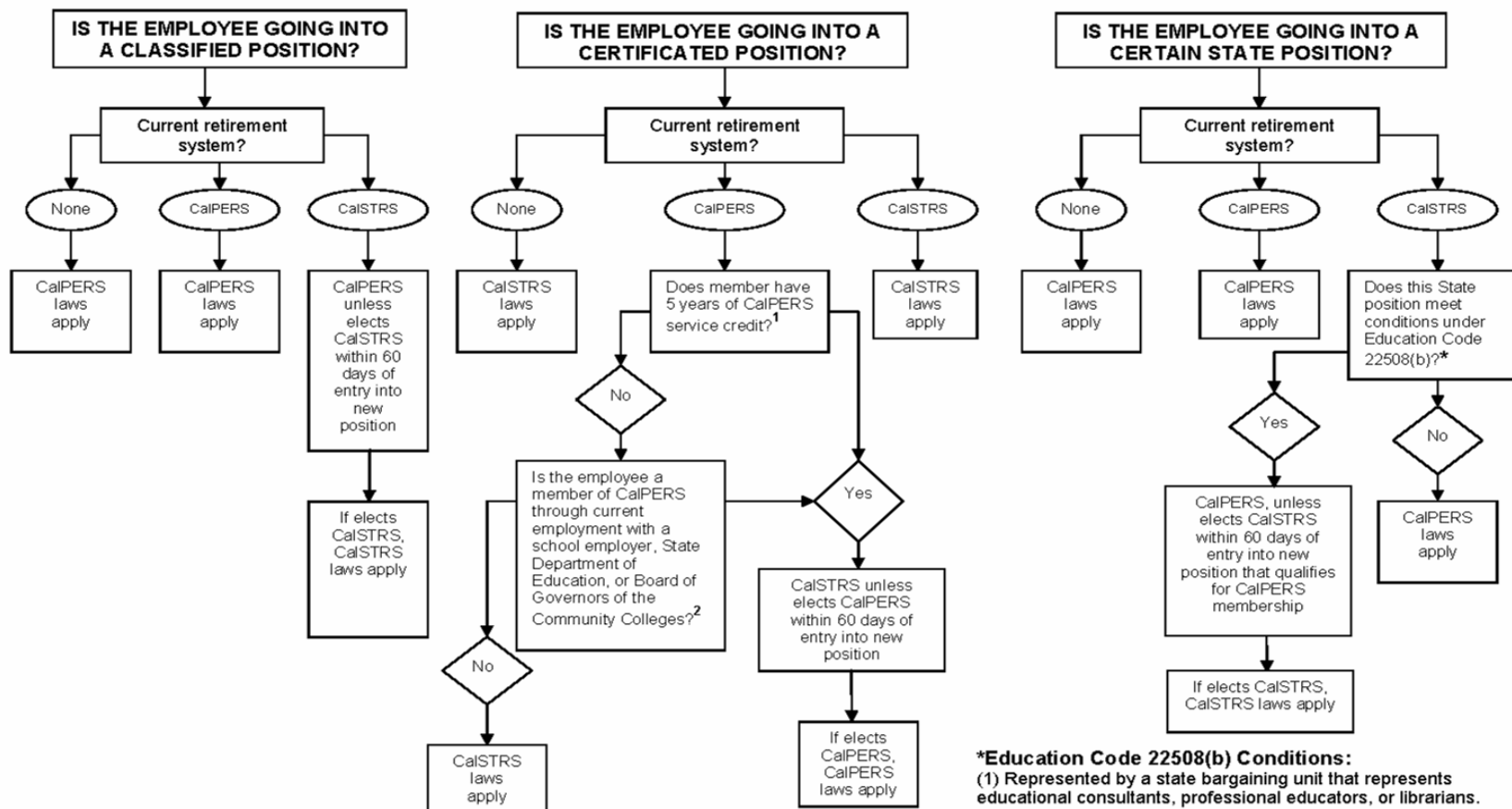
CALSTRS CONTACT INFORMATION

CalSTRS (800) 228-5453 or (916) 414-5040
(FAX) or www.calstrs.com

ADDITIONAL INFORMATION

1. A person is a “member” of CalPERS or CalSTRS unless they have permanently separated from all employment covered by the system and received a refund of his or her contributions and interest on deposit.
2. It is possible to be an active (i.e., currently employed) member of both CalSTRS and CalPERS as long as this dual coverage is for different positions.
3. The right of election arises for a CalPERS member through school employment, Board of Governors, and the State Department of Education. If a person has CalPERS membership through some other type of employer (most State or contracting Public agencies), the right of election of coverage to remain a CalPERS member arises only if the member has attained 5 years of service and changes positions on or after January 1, 2002.
4. The right of election arises after one has been hired in a position that would require membership by the other retirement system.
5. The election should be filed with the system indicated by the Education Code section (see previous page); send a duplicate copy to the other system for informational purposes, clearly labeled “COPY”.

CalPERS/CalSTRS RETIREMENT SYSTEM ELECTION



1 Government Code Section 20309 (Chap. 77, Stats. 2001) effective 1-1-2002

2 Government Code Section 20309 (Chap. 880, Stats. 2000) effective 1-1-2001

*Education Code 22508(b) Conditions:

(1) Represented by a state bargaining unit that represents educational consultants, professional educators, or librarians.

(2) Excluded from the definition of "state employee" in subdivision (c) of Section 3513 of the Government Code, but performing, supervising, or managing work similar to work performed by employees described in paragraph (1).

(3) In a position not covered by civil service and in the executive branch of government, but performing, supervising, or managing work similar to work performed by employees described in paragraph (1).

OVERTIME POSITIONS

G.C. section 20635 defines “overtime” as follows:

“The aggregate service performed by an employee as a member for all employers and in all categories of employment in excess of the hours of work considered normal for employees on a full-time basis, and for which monetary compensation is paid.”

Part-time positions cannot, when added together, generate more than full-time service and/or contributions to CalPERS. In most cases, CalPERS considers 40 hours a week to be the standard full-time time base.

In situations where a member is working two full-time positions, the position with the highest pay rate or base pay will determine what employment should be reported to CalPERS.

With the implementation of myCalPERS, all positions should be reported to CalPERS. This means you should enroll the participant and submit payroll with contributions. CalPERS will determine what employment is considered overtime.

If CalPERS determines that a position is overtime, you will be instructed to reverse the overtime contributions for that participant.

The following scenarios illustrate proper enrollment and reporting of participants when working in multiple positions:

1. The participant currently holds one full-time position subject to CalPERS, and accepts a second concurrent part-time position.

ACTION: The part-time position must be enrolled and reported to CalPERS. CalPERS will make the determination on which position is overtime.

2. The participant holds more than one part-time position with the same CalPERS covered employer.

ACTION: All positions should be enrolled and reported to CalPERS.

3. The participant works two full-time positions, either with the same employer (e.g., a school district) or with another CalPERS-covered employer.

ACTION: Both positions must be enrolled and reported to CalPERS. CalPERS will determine which position is overtime.

Additional Information

Pursuant to changes made to G.C. 20635 by Senate Bill 53, Chapter 1297, Statutes of 1993, the treatment of more than one full-time position has been changed; the crucial distinction now is whether the service in question was worked before or after July 1, 1994:

- **BEFORE JULY 1, 1994:** The member has the right to elect which of the two full-time positions will be reported to CalPERS; CalPERS will, upon discovery of the second full-time position, send the member an election allowing this choice to be made. If no election is made (i.e., if the member does not respond to CalPERS’ notification of election rights), the employment with the latest hire date will be deemed the non-reportable “overtime” position.
- **AFTER JULY 1, 1994:** The position with the highest pay rate or base pay should be reported to CalPERS, with the other position deemed the non-reportable “overtime” position.

If the service began **before** July 1, 1994 and continues **after** July 1, 1994, the member will have the election rights indicated above **only** for the service before July 1, 1994. Service after July 1, 1994 will require the position with the highest pay rate to be reported to CalPERS.

UPDATING EMPLOYEE DEMOGRAPHIC INFORMATION

To ensure consistent information between your agency, SCO, and CalPERS, you should validate and make any changes to your employees' demographic information via SCO's Personnel Information Management System (PIMS), as this will update both SCO's and CalPERS' system automatically. This includes changes to the following items:

- Name
- Address
- Social Security Number
- Birth Date
- Gender

BIRTH DATE CERTIFICATION REQUEST

The ***Birth Date Certification Request*** (PERS-MEM-12) form is used to certify the correct member's birth date. However, CalPERS may contact you by phone instead of sending the PERS-MEM-12 form.

When to Complete

This form will be sent to your agency if CalPERS discovers a birth date discrepancy. Whether CalPERS or your agency discovers the discrepancy, please process as follows.

Instructions

ACTIVE MEMBER

- If this is the **first time** to correct the birth date, process the change by updating the Personnel Information Management System (PIMS) with the correct date of birth.
- If a birth date correction has been previously requested, please notify CalPERS in writing and include one of the "Acceptable Documents" listed below with the request.

INACTIVE MEMBER

- If the participant has separated and notifies you that their birth date is incorrect, instruct the participant to provide CalPERS one of the "Acceptable Documents" listed below.

Acceptable Documents

The following is the list of acceptable documents, listed in the order of preference, to be used in resolving a birth date discrepancy.

Please submit copies only to CalPERS as originals cannot be returned.

1. BIRTH CERTIFICATE or HOSPITAL BIRTH RECORD
2. CALIFORNIA DRIVERS LICENSE
3. NATURALIZATION/PASSPORT (U.S. or Canada).
4. FOREIGN PASSPORT that includes a valid INS-94 form (record of arrival and departure).
5. BORDER CROSSING CARD with a valid INS-94 form (includes "Mica" and "Laser Visa" border crossing cards).
6. CHURCH BAPTISMAL, CRADLE or BLESSING RECORD that shows a date of birth and was established during the first few years of life.
7. PRIMARY or SECONDARY SCHOOL RECORDS showing age at certain year or birth date. Write to the Superintendent of Schools to request records.
8. NATURALIZATION, PASSPORT or IMMIGRATION DOCUMENTS
9. RECORDS OF AGE OR BIRTH DATE which are dated prior to 21st birthday, such as church, fraternal order, insurance, hospital, medical, adoption, guardianship, or newspaper notice of age.
10. DELAYED BIRTH CERTIFICATE. Contact the state in which you were born to obtain a copy.
11. CENSUS RECORDS from federal or state government—preferably the first two censuses taken after date of birth.
12. FAMILY BIBLE in which birth date was recorded within reasonable period of time after birth.
13. SOCIAL SECURITY CERTIFICATION documents which show the date of birth that has been established by the Social Security Administration (contact the Social Security Office where you applied for Social Security benefits).

In the event that none of the above listed documents are available, submit a written request to the Customer Account Services Division. If you have additional questions, contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

APPOINTMENT CHANGE NOTIFICATION FOR EMPLOYER (CALPERS-INITIATED FORM)

This [Appointment Change Notification for the Employer](#) (my|CalPERS 0850) form is used to inform State Agencies of the following:

1. When the rate of contribution or effective date of membership must be changed or canceled;
2. To notify your agency to correct, through payroll credit procedures, non-members or overtime earnings reported in error;
3. To notify your agency to correct the Account Code and any earnings and contributions reported in error; and
4. To notify your agency when a member has made an election to change their tier.

SPECIAL INSTRUCTIONS

The my|CalPERS 0850 form is prepared by CalPERS. Please update your agency records as instructed on the form.

MY | CALPERS MEMBER SELF-SERVICE

On July 30, 2012, CalPERS launched an enhanced version of my|CalPERS for members to access their real-time account information. This enhancement allows members to see the information submitted on their behalf by their employers, including appointment, payroll, and service credit information.

Therefore, it is critical to stay current with information reported to CalPERS on behalf of your employees. Employer accuracy and promptness will alleviate future concerns or questions members may have with their CalPERS account and the information provided by your agency.

RECIPROCITY AND SIMILAR BENEFITS

FULL RECIPROCITY

“Reciprocity” is an agreement among public retirement systems to allow members to move from one public employer to another within a specific time limit without losing valuable retirement and related benefit rights.

There is no transfer of funds or service credit between retirement systems when an employee establishes reciprocity. The employee is a member of both systems and is subject to the membership and benefit obligations and rights of each system, except as they are modified by the reciprocity agreement.

In order for all the benefits of reciprocity to apply:

- The member must have retired on the same day from each public retirement system participating in a reciprocal agreement.
- The member must apply to retire from each system separately; this means that the member will receive a separate retirement allowance from each system.

CalPERS authority extends only to applying and implementing the California Public Employees' Retirement Law; it does not extend to applying and implementing the laws or regulations under which other public retirement systems are administered. Questions relating to rights, benefits, and obligations under any of the other public retirement systems should be addressed directly to the appropriate system.

For more information on reciprocity, download or order a copy of [When You Change Retirement Systems](#) (PERS-PUB-16) at www.calpers.ca.gov or by calling **888 CalPERS** (or 888 225-7377).

RECIPROCAL 1937 ACT COUNTIES

Alameda	Sacramento
Contra Costa	San Bernardino
Fresno	San Diego
Imperial	San Joaquin
Kern	San Mateo
Los Angeles	Santa Barbara
Marin	Sonoma
Mendocino	Stanislaus
Merced	Tulare
Orange	Ventura

RECIPROCAL PUBLIC AGENCIES

City of Concord

City of Costa Mesa

(Safety employees only)

City of Fresno

(Miscellaneous and Safety Retirement Systems)

City of Los Angeles

City of Oakland

(non-Safety employees only)

City of Pasadena

(Fire and Police Retirement Systems)

City of Sacramento

City of San Clemente

(non-Safety employees only)

City of San Diego

City and County of San Francisco

City of San Jose

Contra Costa Water District

County of San Luis Obispo

East Bay Municipal Utility District

East Bay Regional Park District

(Safety employees only)

Los Angeles County Metropolitan

Transportation Authority

(Non-Contract Employees' Retirement Income Plan, formerly Southern California Rapid Transit District)

NOTE:

With the exception of the University of California Retirement System/Plan (UCRS), all of the Reciprocal 1937 Act Counties and Reciprocal Public Agencies have reciprocity with each other as a result of their having established reciprocity with CalPERS.

NON-RECIPROCAL & UCRS RETIREMENT SYSTEMS

Non-reciprocal systems are not covered by reciprocal retirement laws, but participate in retirement agreements with other systems; UCRS differs in aspects of its reciprocity as noted in this manual.

State Teachers' Retirement System

Legislators' Retirement System

Judges' Retirement System

Judges' Retirement System II

University of California Retirement System

(includes the University of California Retirement Plan. Service rendered prior to October 1, 1963 was covered by CalPERS).

RECIPROCITY REQUIREMENTS

CONDITIONS FOR ACQUIRING THE BENEFITS OF FULL RECIPROCITY

Where CalPERS rights and benefits are involved, CalPERS will recognize reciprocity upon movement between reciprocal retirement systems if the following requirements are met:

1. The employee voluntarily elects reciprocity and continues in membership in CalPERS by leaving his or her contributions (if any) on deposit (or by later re-depositing contributions he or she had withdrawn); and
2. The employee enters into employment that results in membership in the new system within six months of discontinuance of employment as a member of CalPERS*; and
3. The employee must retire on the same date under both systems by submitting a retirement application to each system respectively.
4. Certain exceptions may exist if the employee is employed under an independent public agency retirement system before the effective date of that system's reciprocal agreement with CalPERS.

* Eligibility for reciprocity is determined by the retirement laws in effect at the time of movement between employers and retirement systems. Current CalPERS law requires movement within six months.

A member should complete the "Election to Coordinate Retirement when Changing Retirement Systems" form in the [When You Change Retirement Systems](#) booklet (PERS-PUB-16).

IMPORTANT RESTRICTIONS

Concurrent Employment: Reciprocity does not apply when the employment under the first retirement system overlaps the employment under the new system. For the benefits of reciprocity to apply, the employee must have been separated under the first system prior to joining the new system. This may be true even if the overlapping time is due to running out leave credits. The employee should check with their current system and new system about their rules before they change employment. If they are concurrently employed we will use their highest rate of pay under CalPERS when computing their retirement allowance.

Refund Restriction: Some retirement systems may not allow the member to withdraw their member contributions while they are employed in a position covered by the California State Teachers Retirement System (CalSTRS), Judges' Retirement System (JRS), Judges' Retirement System II (JRS II), Legislators' Retirement System (LRS), the University of California Retirement Plan (UCRP), or if, within six months of leaving State service, the member entered employment covered by a system under the County Employees' Retirement Law of 1937 or covered by certain other public agency retirement systems.

New State Employees: State miscellaneous or industrial employees hired for the first time on August 11, 2004 through June 30, 2013* are placed in the Alternate Retirement Plan (ARP) administered by the Savings Plus Program in the California Department of Human Resources. They are excluded from ARP if they are members of a CalPERS reciprocal retirement system (within the prior six months) or are a member of JRS, JRS II, LRS, CalSTRS, or UCRP.

*Pending legislation may change this date to December 31, 2012.

RIGHTS AND BENEFITS WITH FULL RECIPROCITY

Eligibility for reciprocity is determined by the retirement laws in effect at the time of movement between employers and retirement systems. The information contained here expresses current CalPERS law.

1. **Final Compensation:** Use highest compensation earnable under any system in computing final compensation if retirement from all systems is concurrent.

NOTE:

An exception to this would be if the member retires on a service retirement from another system before they have met the CalPERS minimum retirement age, they can later retire under CalPERS, and CalPERS will still use the member's highest rate of pay under any of the systems.

If the member became an elective or appointed officer after July 1, 1994, we will use the highest rate of pay under CalPERS.

2. **Qualification for Benefits:** Service in the other system may be used to meet minimum service requirements for benefits.
3. **Disability Retirement:** If the member is eligible for disability retirement from another system (or disability income from the University of California Retirement Plan) they may be entitled to CalPERS disability retirement benefits, if they retire from both systems on the same date. CalPERS would pay an amount that does not exceed the difference between the amount that would be paid by the other system if all of the member's CalPERS service were under that system, and the amount actually paid under the other system, but not less than an annuity that is the actuarial equivalent of the member's contributions.

When retirement under the other system is for disability arising out of and in the course of employment under the other system, CalPERS pays an annuity that is the actuarial equivalent of the member's contributions.

4. **Pre-retirement Death Benefits:** If the member dies prior to retiring while employed as a member of another system, a lump-sum Basic Death Benefit consisting of a return of their CalPERS retirement contributions will be payable to a beneficiary. The total paid by both systems cannot exceed the maximum lump-sum benefit allowable if all service had been under the other system.

If the member is a Safety member of CalPERS and the death is job-related, the monthly Special Death Benefit allowance may be payable to a qualifying survivor.

5. **Membership Rate Age:** Miscellaneous members and most Safety members in CalPERS have retirement formulas with a fixed rate of contribution and are not affected by their age at entry into the other system. However, other systems may use age at entry for their contribution rate. The member should check with the appropriate system for information.

PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013 (PEPRA)

As a result of PEPRA, effective January 1, 2013, CalPERS will consider movement between California Public Retirement Systems that are subject to reciprocity when we determine which benefit formula applies to your employees. Employees should refer to their member benefit publication for more information on new member benefit formulas mandated by PEPRA.

CALPERS BENEFITS FOR NON-QUALIFYING INDIVIDUALS

Even if the member does not qualify for full reciprocity, CalPERS offers redeposit rights, vesting, and University of California Retirement Plan final compensation.

In addition, if their employer established a reciprocal agreement with CalPERS after they changed membership, and they would have been eligible for reciprocity had an agreement been in effect at the time of their membership change, their retirement allowance will still be based on the highest final compensation under either system, as long as they retire on the same date under both systems.

- **Redeposit Rights:** If the employee withdrew their CalPERS contributions and interest and later joined a reciprocal retirement system, they can re-establish CalPERS service credit and membership by making a redeposit.
- **Refund Restriction:** The member may not withdraw their CalPERS Contributions once they have entered employment covered by the University of California Retirement Plan (UCRP) or if, within six months of leaving State service, they entered employment covered by a system under the County Employees' Retirement Law of 1937 or covered by certain other public agency retirement systems.

- **Vesting:** If the employee is a CalPERS member who is also a member of a reciprocal retirement system, they are eligible to retire from CalPERS without meeting the CalPERS minimum service credit requirement (but they must still meet the minimum age requirement).

NOTE:

Vesting requirements of the other systems must be met in order to retire concurrently from each system. Contact the other retirement system to determine their retirement requirements.

- **University of California Retirement Plan Final Compensation:** The average pay rate during any 12-month or 36-month period of employment with the University of California will be used for computing final compensation, if the member retires from both systems on the same date.

CALPERS BENEFITS ARISING FROM MOVEMENT TO RECIPROCAL AND CERTAIN NON-RECIPROCAL PUBLIC RETIREMENT SYSTEMS

There is no formal reciprocity agreement established between CalPERS and the following systems:

- California State Teachers' Retirement System (CalSTRS)
- Legislators' Retirement System (LRS)
- Judges' Retirement System (JRS)
- Judges' Retirement System II (JRS II)

However, the following benefits and requirements apply to CalPERS members who enter employment with these systems.

FINAL COMPENSATION

CalPERS will compute the member's final compensation based on the highest rate of pay under CalSTRS, LRS, JRS, JRS II, or CalPERS during any consecutive 12-month or 36-month period of service as long as they retire on the same date under both systems. (If a member became an elective or an appointed officer on or after July 1, 1994, we will use their highest rate of pay under CalPERS).

REDEPOSIT RIGHTS

A member of CalSTRS, LRS, JRS, or JRS II may redeposit in CalPERS previously withdrawn CalPERS contributions in order to reestablish service credit in this system.

To receive this credit, a member's election must be filed with CalPERS before their retirement is effective (G.C. section 21032). The employee should request cost information at least one year prior to their retirement date to ensure accurate and timely payment of benefits.

The right to redeposit contributions is not one of the uniform reciprocal provisions; it varies among the different public retirement systems. Contact the particular retirement system to learn of its policy regarding re-depositing.

REFUND RESTRICTION

A member's CalPERS contributions may not be withdrawn while the member is in active employment as a member of CalSTRS, LRS, JRS, or JRS II.

VESTING

A CalPERS member who is a member of CalSTRS, LRS, JRS, or JRS II is eligible to retire from CalPERS without meeting the CalPERS minimum service credit requirement (but must still meet the minimum age requirement).

DISABILITY RETIREMENT

There is no provision for CalPERS disability retirement when a member is eligible for a disability retirement benefit from CalSTRS, LRS, JRS, or JRS II. They must instead take a CalPERS service retirement from the other system in order for the provisions of final compensation to apply.

If they retire on a disability retirement from the other system before they have met the CalPERS minimum service retirement age, they can later retire under CalPERS. We will use their highest CalPERS pay rate to determine their final compensation amount.

If they will be receiving a disability allowance from CalSTRS, they can take a service retirement from CalPERS at the same time (if they meet the minimum retirement age) OR at age 60, when the disability allowance under CalSTRS is changed to a service retirement. Either way, they are considered to have retired on the same date under both systems, and CalPERS will compute their final compensation based on the highest rate of pay under either system.

HOW TO NOTIFY CALPERS WHEN THE MEMBER CHANGES RETIREMENT SYSTEMS

When the employee becomes a member of a reciprocal or non-reciprocal public retirement system they can notify CalPERS by one of the following methods:

- Complete the Election to Coordinate Retirement When Changing Retirement Systems form in the [When You Change Retirement Systems](#) booklet (PUB-16).
- Complete one of the forms in the CalPERS Refund Election Package (public agency or school employees) or the separation document (State employees) when separating from CalPERS-covered employment.

Please direct requests for information or inquiries to:

CalPERS
Customer Account Services Division
Attn: Unit 841
P.O. Box 942704
Sacramento, CA 94229-2704

For more detailed information on reciprocity, refer to [When You Change Retirement Systems](#) publication (PUB-16).

JRS, JRS II, AND LRS MEMBERS

myCalPERS will be modified to remove LRS enrollment as an option for new members. Effective January 1, 2013, the newly elected or appointed Constitutional Officer, Insurance Commissioner and Legislative Statutory Officers are only eligible for optional CalPERS membership. The current enrollment process that allows new members to elect optional membership into CalPERS will not change.

Contact the Judges' or Legislators' Retirement System directly when an employee becomes a member of a reciprocal or non-reciprocal public retirement system:

Judges' & Legislators' Retirement System
P.O. Box 942705
Sacramento, CA 94229-2705
(916) 795-3688
(916) 795-1500 — FAX

LONG-TERM CARE PROGRAM MEMBERS

If the member is enrolled in the CalPERS Long-Term Care Program and has premiums deducted from their check, they should call the program's Customer Service Center at (800) 982-1775 to find out what steps they need to take to continue their premiums.

SERVICE CREDIT PURCHASE OPTIONS

SERVICE CREDIT

Service credit represents the accumulated amount of your employee's service time at work or on paid status under their CalPERS-covered employer or employers, counted on a fiscal year basis.

Service credit is one of three prime factors used to calculate an employee's retirement benefit, along with their retirement formula and final compensation.

For a complete list, please refer to the CalPERS publication [**A Guide to Your CalPERS Service Credit Purchase Options**](#) available in the CalPERS Forms & Publications Center online or by calling **888 CalPERS** (or **888-225-7377**).

EMPLOYER COST

The service credit purchases where employers are actually billed are:

- Member-Paid Arrears (for the employer share)
- Employer-Paid Arrears (for the member and employer share)
- Settlement Agreement (Employers may pay a percentage, up to 100%, of the member's share of contributions and interest due in addition to the employer share.)

For other service credit purchases, the employer liability is funded by the actuarial evaluation and setting of the employer rate based on the service that has been posted to employer.

Service Credit Cost Estimator

The Service Credit Cost Estimator tool (Cost Estimator) provides members a cost estimate for purchasing various types of service credit. The Cost Estimator is located on the CalPERS Website at [**www.calpers.ca.gov**](http://www.calpers.ca.gov), or members may visit their local CalPERS Regional Office to utilize the self-service computer, in order to generate an online cost estimate and access the required request forms from the results page, when applicable. The Cost Estimator can calculate a cost estimate for the following types of service credit:

- Alternate Retirement Program
- Maternity/Paternity Leave of Absence

- Military Service Credit (Military)
- Redeposit of Withdrawn Contributions (Redeposit)
- Peace Corps or AmeriCorps*Vista Service
- Sabbatical Leave
- Service Prior to Membership (SPM)

For Military, Redeposit, and SPM, a cost estimate must be attached to the service credit purchase request form. Member access to Military, Redeposit, and SPM online request forms will be restricted to those who use the Cost Estimator to generate an estimate. Request forms are available for download on the Cost Estimator Results Page, once a member has generated an estimate for the following service credit purchase types:

- Redeposit of Withdrawn Contributions
- Service Prior to Membership
- State and Schools Military/Public Agency Military

To request the purchase of Military, Redeposit, and SPM, members should follow these steps to obtain an estimate and the request form:

- Visit the CalPERS Website at [**www.calpers.ca.gov**](http://www.calpers.ca.gov).
- Search for the Service Credit Cost Estimator.
- Complete a cost estimate for the appropriate service credit type.
- Print out the service credit cost estimate from the results page.
- Select the link to download the Service Credit Cost Request form.
- Complete the request form and mail it to CalPERS along with the printed cost estimate.

Additionally, your agency may receive requests to certify employment history and payroll information for employees wishing to purchase service credit. Any requests received by CalPERS without the required employer certification and/or attached cost estimate will be returned to the member as incomplete and the request will be closed.

REDEPOSIT

Members of this System have the right to redeposit contributions previously withdrawn from CalPERS. The redeposit of withdrawn contributions restores service credit for previous employment. The member must redeposit the amount withdrawn, plus a sum equal to the interest, which would have accrued, had the member's funds been left on deposit. Interest will be charged from the first of the month following the date of withdrawal to the date of final payment. Payments may be made in one lump sum or by installment payments, or by a combination of an initial partial lump sum payment and the balance by installment payments.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement effective date (G.C. sections 20750 and 20752 to 20756).

A member, whose ex-spouse received a portion from the member's account as part of a community property judgment or settlement AND took a refund of the contributions, can redeposit those funds in CalPERS.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement effective date (G.C. section 20751).

SERVICE PRIOR TO MEMBERSHIP

"Service prior to membership" (SPM) is service rendered after the date of contract between a public agency, State, or School District and the System, but before the employee entered CalPERS membership. Election to contribute for SPM will result in additional service credit.

Persons who were employed under the following conditions are eligible for service prior to membership:

1. Those who worked the six months membership qualification period prior to July 18, 1961.
2. Those who worked the part-month membership qualification period between July 18, 1961 and October 1, 1963.
3. Those employed less than 87 hours per month, or less than an average of 20 hours per week, prior to becoming a member.
4. Those formerly employed in temporary or seasonal employment in which they were excluded from membership under G.C. section 20305.

5. Those optional elective officers, Governor appointees, and Legislative employees who are excluded because of their failure to exercise their right of election of membership under G.C. sections 20320, 20322, 20324, or 21021 and are no longer working in an "optional" position. If still in an "optional" position, refer to the *"Optional Members of CalPERS"* section.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement effective date (G.C. sections 21020 and 21028).

VERIFICATION OF SERVICE PRIOR TO MEMBERSHIP

When members request to purchase SPM, they obtain a [*"Request for Service Credit Cost Information Service Prior to Membership, CETA & Fellowship"*](#) form (PERS-MSD-370) available through the Service Credit Cost Estimator results page. On this form, members must indicate the prior employer information including the period of employment and the hours and time base worked per month. If this employment is with a State agency that reports payroll through the State Controller's Office (SCO) or with the California State University, the form is sent directly to CalPERS for processing. If this employment is with a non-SCO State agency, public agency, or School District, this form is sent to that employer for certification. The employer either certifies they concur with the information provided by the member, or follows directions on the form to input the correct employment information, then forwards the completed form to CalPERS.

PUBLIC SERVICE AND LEAVES OF ABSENCE

There are certain conditions where some leaves of absence and some public employment may be creditable under CalPERS. Questions on these types of service credit should be referred to CalPERS by following the instructions noted in the "Inquiries Section". To receive this credit, a member's written request must be filed with CalPERS before their retirement effective date.

PRESENT VALUE SERVICE CREDIT PURCHASES

NOTE: Although no action is required on your part, this information may be useful in answering questions about service credit purchase options asked by your employee's.

Additional Retirement Service Credit (ARSC – Air Time)

As a result of the Public Employees' Pension Reform Act of 2013 (PEPRA), ARSC has been eliminated as a service credit purchase option. Any complete and acceptable requests received at CalPERS prior to January 1, 2013, will be processed. Due to the high volume of requests, processing times may vary and take several months. If you have received an ARSC election package, be sure CalPERS receives your completed signed election prior to the expiration date specified on the election form, as you will not have another opportunity after January 1, 2013. If you have already elected to purchase ARSC, your purchase will not be impacted.

Peace Corps, Americorps Vista, and Americorps

A member may be eligible to purchase credit for up to three years of service in the Peace Corps, AmeriCorps VISTA (Volunteers In Service To America) or AmeriCorps. The member must be able to provide CalPERS with documentation certifying their dates of service. If the member does not have a certification letter, one may be requested from:

Peace Corps

Attn: Certifying Officer
Volunteer & Staff Payroll Services Division
1111 20th Street, NW
Washington, DC 20526

AmeriCorps Vista

Attn: CNCS/AmeriCorps Vista Certifying Officer
1201 New York Avenue, NW
Washington, DC 20525

For all other AmeriCorps service, the member needs to contact the program they worked for to request a certification letter.

Credit for Military Service Prior to Employment

G.C. section 21029 provides that State and School employees and retirees may be eligible to receive credit for their military service. To be eligible the member or retiree must:

1. Currently be employed with or retired directly (within 120 days of separation) from the State or School employment.
2. Must have a minimum of one year of CalPERS service and one year of military service. Service is granted on a basis of one year of military service credit for each year of credited CalPERS service credit, not to exceed four years.
3. Make election to purchase the service credit.
4. In addition, State and School retirees must have retired on or after December 31, 1981.
5. Members with Public Agencies which have contracted for military service benefits under G.C. sections 21024 (for active members) and 21027 (for retired members) may also be eligible to receive credit for their military service. Retired members must have retired directly within 120 days of separation from Public Agency employment and before the effective date of the election by his or her employer to be subject to section 21027. Employers contracting for 21027 must have also contracted for 21024. For more information on Public Agency military, consult the CalPERS Website www.calpers.ca.gov or [Service Credit Purchase Options](#) (PUB-12).

NOTE:

To determine eligibility, a copy of the discharge or other document (such as DD214) indicating the beginning and ending dates of active duty must be submitted to the system.

A copy of the discharge document can be obtained from the National Personnel Records Center, Military Personnel Records, 9700 Page Avenue, St. Louis, MO 63132-5100. The member can also complete and mail in the Standard Form 180, available on their website at www.nara.gov/regional/mpsf180.html.

Alternate Retirement Program (ARP)

State members who meet these conditions would be eligible to purchase their ARP service credit if they:

- Were a new State miscellaneous or industrial employee hired on August 11, 2004 through June 30, 2013*, and
- Have reached the conclusion of their three month ARP election period and did not elect to convert their ARP time to CalPERS service credit; or
- Received a distribution of ARP funds after separating from State service, but prior to their three-month election period; or
- Had ARP funds distributed to a former spouse or domestic partner while funds were being maintained by CalHR.

*Pending legislation may change this date to December 31, 2012.

The cost for Peace Corps, AmeriCorps, AmeriCorps VISTA, Military Service Prior to Employment, and ARP service is based on current pay rate, the amount needed to fund the benefit, and how much service credit is being purchased.

Credit for Absence from Employment for Military Service

G.C. sections 20990 through 20998 provide that a members whose absence from employment for military service may be eligible to receive service credit for the absence at employer cost. The employer does not need to amend its contract for the benefit. To be eligible for this service credit the member must have:

1. Been in the employment of a CalPERS covered agency prior to entering military service.
2. Been granted a military leave or have resigned from employment for the purpose of entering active duty into military service.
3. Entered active duty within 90 days after leaving agency employment.
4. Returned to employment with the same agency, the State, or another agency contracting with CalPERS within six months after discharge from active duty. If the member did not return to employment within

six months after discharge, they may not be eligible to purchase this service credit.

EXCLUDED POSITIONS

If the requested employment is excluded by law, the purchase of this service credit is not possible. If the exclusion was removed or superseded by law after the employment was rendered, service credit rights would depend on the Government Code provisions under which the exclusion was removed. Please refer to the excluded section for more information.

PAYMENT METHODS

A member may elect, at any time prior to retirement, to make contributions for redeposit or other types of eligible service credit. If a member elects a cash lump-sum payment, no notification will be sent to the employer.

If a member files an election to redeposit or contribute for service prior to membership or other "public service" by installment payments, the System will certify and approve the election and send the agency an authorization for payroll deductions. No deductions should be made until the authorizing PERS-MEM-823A form is received.

The agency must apply the payroll adjustments authorized after the effective date and continue until payments are completed or the employee separates from employment. The member should contact CalPERS for information on continuing payments after separation, unless a refund of all contributions is requested.

At retirement, any unpaid balance may be paid by lump sum or may be continued as a deduction from the retirement allowance (G.C. section 20776).

INQUIRIES

The member may obtain cost information concerning redeposit, SPM or other “public service” by completing the appropriate form. The forms can be obtained from the [Guide to your CalPERS Service Credit Purchase Options](#) (PUB-12) or from the CalPERS Website at **www.calpers.ca.gov**. The following is a list of the forms:

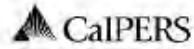
- Redeposit of Withdrawn Contributions— PERS-MSD-368
- Military Service — PERS-MSD-369
- Service Prior to Membership, CETA & Fellowship Service — PERS-MEM-370
- Leave of Absence — PERS-MSD-371
- Layoff, Prior Service & Optional Member Service — PERS-MSD-372
- Peace Corps, AmeriCorps*VISTA or AmeriCorps Service — PERS-MSD-373

COST ESTIMATE

Members can use the on-line Service Credit Cost Estimator on the CalPERS Website **www.calpers.ca.gov** to obtain an estimate of the cost of purchasing the following types of service credit:

- Redeposit of Withdrawn Contributions
- Service Prior to Membership
- Military Service Credit
- Maternity/Paternity Leave of Absence
- Peace Corps or AmeriCorps*Vista Service
- Sabbatical Leave
- Alternate Retirement Program

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888 CalPERS (or 888-225-7377)
TTY: For Speech and Hearing Impaired (916) 705-0240
Fax: (916) 795-7578 (www.calpers.ca.gov)

California Public Employees Retirement System

{date}

Employer: {employerName}
{employerID}

Employee: {employeeName}
{employeeID}

{changeStrip} {stateAppStrip} Please change the following effective
{effectiveDateOfRequest}.

	<u>OLD</u>	<u>NEW</u>
Category:	{oldCategory}	{newCategory}
Employee Contribution Rate:	{oldEmployRate}	{newEmployRate}
Subject To Social Security:	{oldSSIndicator}	{newSSIndicator}
'59 Survivor Election:	{old59Indicator}	{new59Indicator}

If you have any questions, please visit our Web site {systemWebsite}, or you may
contact us toll free at 888 CalPERS (or 888-225-7377).

{divisionName}

/PERS#XXXX (MM/YYYY)